

FY17 Municipal Planning Grant Guidance on Procurement

DHCD, August 2016

The processes required to hire consultants for a Municipal Planning Grant (MPG) project have changed to better align with new state contracting rules and with other state grant programs. The [Procurement Procedures](#) (Attachment D of the Grant Agreement) governs how to select a consultant (personal services) ensuring fair access for vendors of services.

Summary of FY17 MPG Procurement Requirements

	Up to \$1,000	\$1,001 - \$10,000	\$10,001 and Up
1. Contract for Services A contract template for grantees to use with consultants and other vendors is provided here .	Recommended	Required	Required
2. Consultant Selection <ul style="list-style-type: none"> Simplified selection involves obtaining price quotes from 2+ sources Competitive Selection involves issuing an RPQ or RFP – templates available here. Waivers may be requested from DHCD if competitive selection creates undue hardship (see Q&A below)	Simplified (optional)	Simplified or Competitive	Competitive
3. Exemptions to using the Simplified or Competitive Process (i.e., sole source selection)	<ul style="list-style-type: none"> When hiring Regional Planning Commission When hiring a professional, selected competitively, already working on an earlier stage of same project 	<ul style="list-style-type: none"> When hiring Regional Planning Commission When hiring a professional, selected competitively, already working on an earlier stage of same project 	When hiring a professional selected competitively, already working on an earlier stage of same project

Regardless of the selection process used, be sure to keep records of the process and related communications in your grant file. Save the files for a minimum of three years in case your town or the MPG program is audited. There is no need to submit the documentation of the procurement process with either the grant application or close-out.

Questions and Answers

What procurement process is required if you are hiring two consultants, each for less than \$10,000?

If the municipality contracts with each consultant separately for amounts less than \$10,000, the simplified selection process may be used for each, even if the combined total is more than \$10,000. For example, a \$9,000 planning consultant contract and \$3,000 contract for graphic design services on the same project could both be procured using simplified selection.

However, if the municipality contracts with one consultant that will subcontract with another and the total amount is above \$10,000, a competitive selection process is required. Using the same example, the planning consultant contract of \$12,000 would include a subcontract to a graphic designer of \$3,000, with both consultants selected through a single RFQ or RFP.

How does a town apply for a waiver to hire the Regional Planning Commission (RPC) or any other consultant for a project over \$10,000 without a competitive selection process?

The municipality must request a waiver in writing. Send an email to DHCD (see contact information below) with an explanation of the project and why it would be an undue hardship for the municipality to undertake the competitive selection process. (See next question for an example of what may be considered an undue hardship.) If possible, submit your request well before the grant application deadline so the waiver decision may be incorporated into the grant application. The request may also be included with the grant application by uploading it as an attachment in the online grant management system. The request for a waiver should be accompanied by a draft work plan and budget with a note from the proposed project consultant indicating that they are willing to provide the town with the requested services.

Under what circumstances will DHCD waive the competitive selection requirement?

We cannot anticipate all the situations where a waiver may be needed and when the requirements will be waived. We recognize that there may be small towns with no staff seeking grants for services costing over \$10,000 and a competitive selection process may present an undue hardship. In such cases, if an entity is available that can provide the services needed for the project, a waiver may be granted.

Can a consultant be selected before an application is submitted?

Yes. We encourage applicants to select a consultant before completing the application. This allows the municipality and the chosen consultant to work on refining the work plan and budget together before submitting the application. It also allows project work to begin immediately after the grant is issued.

If a competitive process is used, we recommend that the municipality issue a [Request for Qualifications \(RFQ\)](#) instead of a [Request for Proposals \(RFP\)](#) because the RFQ at this preliminary stage allows for greater flexibility and requires less work for all involved. Since there is no guarantee that a grant will be issued, the municipality should wait to contract with the consultant until the grant funding is secured.

Are there other circumstances where non-competitive selection is allowed?

Yes. These have not changed from previous years and include public emergencies and situations where a service is only available from one source. Regardless of circumstances, contracts over \$10,000 cannot be sole sourced without a written waiver request and DHCD approval. Other innovative methods of procurement may be proposed to DHCD and pursued if approved. See the [Procurement Procedures](#) for details.

For further information and to submit a waiver or other procurement request contact:

[Annina Seiler](#), Grants Management Specialist
802-828-1948